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Economic Assistance During Stability and Support Operations

As part of stability operations, U.S. Army personnel have become increasingly involved in providing assistance to support economic and infrastructure development. Officers in Afghanistan and Iraq have had to select and implement assistance programs in their areas of operation. In many instances, they have neither the background nor the training to make informed decisions about which programs to support and how to go about implementing them. They therefore need better guidance on how to make such decisions, as well as a better understanding of the economic context of their efforts. While the U.S. government has produced such guidance for use at the national level, that work lacks sufficient detail on tasks appropriate for military forces. The Army asked RAND Arroyo Center to produce a guidebook for unit commanders that could be used by units deploying to Iraq and Afghanistan to help Army personnel more effectively use economic assistance to support economic and infrastructure development. The result of the Army's request was an Arroyo publication, *Guidebook for Supporting Economic Development in Stability Operations*, designed for unit commanders at the brigade level and below.

To produce the guidebook, Arroyo researchers interviewed commanders in Afghanistan and conducted interviews with U.S. military officers who have served in that theater, Iraq, Bosnia, Kosovo, and Haiti. They drew on their own work and that of others in previous RAND research and support efforts in Iraq, Afghanistan, Liberia, and the Balkans. The authors also tapped the substantial literature about effective economic assistance.

Economic Issues in Pre-deployment Preparation

The guidebook first discusses the economic issues that should be considered as part of pre-deployment preparation, and it includes a structured process to gather information on how local people in the area of deployment make a living and survive,

Key Findings

The Guidebook for Supporting Economic Development in Stability Operations is:

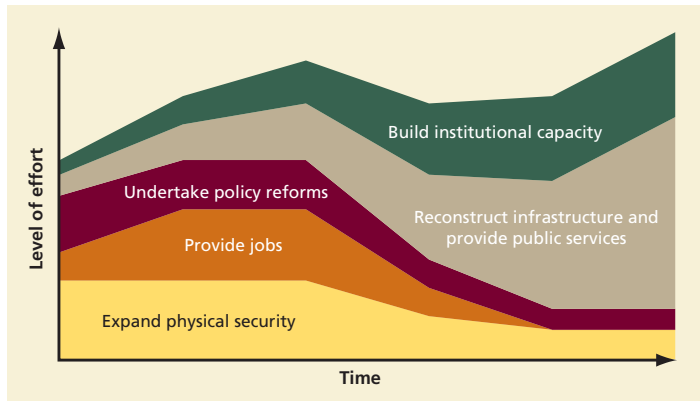
- Designed to help U.S. Army personnel more effectively use economic assistance to support economic and infrastructure development.
- Designed to apply to current and future conflict settings.
- Focused on tactical unit commanders.
- Buttressed by actual unit experiences in contingency operations.

how the economy can recover, and how the Army can tell whether its efforts are working by measuring outcomes, not inputs or outputs. It describes indicators of a more stable and secure environment and of improvements in the local economy that should be visible to ground forces. Additionally, it discusses the actors engaged in economic and infrastructure development that U.S. military personnel may encounter or with whom they may work, including the host nation government, U.S. civilian agencies, the United Nations, international financial institutions, bilateral agencies, nongovernmental organizations (NGOs), and the local society. It also lays out the resources that may be available to both U.S. military and other assistance providers to carry out projects and tasks.

This part of the guidebook also lays out how economies recover. This discussion is especially relevant because U.S. forces tend to rotate in and out of the area of operations. The focus of economic recovery will vary depending on the recovery stage of the economy. The figure on the following page presents a stylized diagram of how economies typically progress.

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As an Economy Recovers After a Conflict, the Relative Importance of Each Recovery Objective Changes over Time



SOURCE: *Guide to Economic Growth in Post-Conflict Countries*, USAID.

As the diagram shows, physical security initially constitutes the top priority because without a secure and stable environment, economic development will not occur. Security remains a constant task, although the emphasis given to it can decline as conditions improve.

The first stage of recovery sees rapid growth. Since World War II, every country in which the United States has conducted stability operations experienced an initial period of rapid economic growth once violence declined. During this period, trade expands and refugees return as security improves. Units will notice a huge increase in imports of consumer goods trucked in from abroad. In the early stages, short-term job-creation projects are most effective. They put money in people's pockets, which then gets funneled back into the economy as they buy goods and services. So in the early stages of an operation, U.S. Army units may support short-term public works projects like road repair, clearing irrigation systems, and restarting electricity supply.

Later in the recovery, attention should shift to larger scale infrastructure after supply chains have been re-established and local and national governments are in better shape to plan,

contract, and manage major projects. Units need to bear in mind that the activities of the local inhabitants, not foreign donors, are the key drivers of growth.

Military Contributions to Economic Recovery

The second part of the guidebook discusses seven topic areas: humanitarian assistance; infrastructure; agriculture; currencies, budgets, banking and finance, and foreign trade; private sector development and employment generation; natural resource management; and the effect of the U.S. military on local economies. The guidebook also includes an appendix on how to conduct a bidders conference.

For each topic area, the chapter details the types of problems typically posed, what the host government and other agencies should deal with, and what tasks may potentially be carried out by U.S. military units. Each chapter ends with a checklist focused on a U.S. military tactical unit.

Each chapter also includes vignettes that illustrate with actual events the types of incidents that occur in each topic area. For example, the chapter on humanitarian assistance illustrates the importance of securing infrastructure by detailing the methodical looting that went on in Iraq, which seriously impeded assistance operations because government offices had been stripped of everything that could be carried off, including plumbing fixtures and electrical outlets.

The chapters also offer examples of things that went wrong. In some cases, well-intentioned efforts have effects diametrically opposed from what was meant to happen. A case in point was the effort to deal with trash in Baghdad, which had become an enduring problem. In an attempt to deal with the trash, military units hired local contractors to build large, four-sided trash storage bins, operating under the theory that the trash could be put in them until collected rather than just being dumped on the street. Almost immediately after the containers were built, they were occupied as dwellings, in one case housing a family of 35 adults and children. The error resulted from focusing on outputs (trash containers built) rather than outcomes (trash collected). A subsequent effort that placed metal trash containers that were easier to lift and maneuver proved to be a much better solution. ■

This research brief describes work done by the RAND Arroyo Center and documented in *Guidebook for Supporting Economic Development in Stability Operations*, by Keith Crane, Olga Olikier et al., TR-633-A, 2009 (available at http://www.rand.org/pubs/technical_reports/TR633.html). This research brief was written by Jerry Sollinger. The RAND Corporation is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. **RAND®** is a registered trademark.

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